

Week Ending Friday, July 8, 1994

**Remarks at the Presidential Scholars
Awards Presentation Ceremony**

July 1, 1994

Thank you. Thank you, please be seated. Secretary Riley and Barbara Holt; members of the Commission on Presidential Scholars; most important, to all of you who have won these awards and to your family members, your teachers who are here, to your friends, I look forward to this event very much every year. And I am delighted to be here with you today and to look out at your faces and to imagine your futures. I don't see how anybody could be too concerned about the future of this great country, looking at you, reading your records, knowing what you have achieved.

Today, I also think we should reflect upon the God-given potential of all of our young people in this country and the importance that the rest of us must attach to providing the greatest education we possibly can, not only to those of you who have been outstanding always and who have won this extraordinary recognition but to all of the people in this society on whom the rest of us will depend to maintain America's leadership.

This administration has worked very hard to try to do everything we could to give the American people the tools they will need to go confidently into the 21st century. I have spoken a great deal since I have been President about the importance of family and community, of work and responsibility. These things have a great deal to do with your future and the future of America.

When I sought this office, I did it because I was concerned about the direction of our country, both economically and in terms of our community. I was afraid we were coming apart when we ought to be coming together. We seemed to be going in so many ways in the wrong direction. I had a strategy that was clear in my own mind for what we ought to do for the economy. I've been thinking a lot

about it because, as some of you know perhaps, I will be leaving on July 5th to go to Europe for a meeting of the G-7, the world's largest industrial countries. And as I think back over the last year and a half, I can go to this meeting with a great deal of pride.

We have 40 percent of the income of the world's largest industrial countries. But we've had 75 percent of the growth, created 100 percent of the new jobs. By cutting spending, by bringing our deficit down, by reducing the size of our Federal work force, by providing incentives for small business and working families, we've been able to create 3 million new jobs, reduce unemployment by 1.7 percent, have 3 years of deficit reduction for the first time since Harry Truman was President—none of you were born then—the last time America brought its deficit down 3 years in a row.

But if we do all those things, it still won't be enough unless we empower our people to make the most of their lives as we move toward the 21st century, a time when information will double rapidly every few years, a time when the average person will change jobs seven or eight times in a lifetime. The whole question is whether all these changes will be friendly to most Americans or terribly, terribly threatening.

Indeed, one of the main reasons I have fought as hard as I have for guaranteed health coverage for all Americans is that that will make our families more secure in the face of all these changes. But in the end, how well we do will be determined by how well we educate our people and, in the end, how well our people are capable of reeducating themselves. That's what Goals 2000 is all about. That's what the school-to-work transition bill is all about. And now today it has been announced what the consequences and the mechanisms will be for reordering the student loan program, something that was very important to me when I ran for President.

I'd like to talk a little bit about that. I became very concerned when I was a Governor about the number of young people in my State who would go to school and drop out not for academic reasons but for financial reasons and the number of young people who said that they could no longer go to college because, believe it or not, in the 1980's the cost of a college education was just about the only really important thing that increased even more rapidly than the cost of health care.

And so, we began to look at what options were available for opening the doors of college to all Americans. And one of the things that became clear to me is that the student loan program cost too much and the repayment terms were too stiff for a lot of our younger people, particularly if they wanted to go into work which might be immensely rewarding, terribly valuable to our society, but not particularly rich in terms of the salaries that were paid.

So we decided to change the way the college loan program worked and to go to something called direct lending. The Secretary of Education had primary responsibility for figuring out how we would do that. Our new program means lower interest rates for college loans, lower fees, and much better repayment terms with the option for young people to string out their repayment over several years and to pay loans back based on a percentage of what they earn after they get out of college, not simply based on how much they had to borrow to afford the education that they got.

It also means \$4.3 billion in savings for taxpayers. During this first year we're going to make \$1 billion in direct loans at over 100 institutions of higher education. We've also designed the program so that 20 million young Americans who took out \$50 billion in loans under the old system can switch to the new system. That is, if they want to pay back their loans at a lower interest rate over a longer period of time based on how much money they're making rather than how much they borrowed, they'll be able to do that.

Well, we're going to lay out the details of how this will work in the next couple of weeks. But the point I want to make is this. It's a great thing when gifted young people

can have ample scholarships to go to college. But we now know that we need 100 percent of our young people to finish high school and to get at least 2 years of further education if they're going to have a good chance to land a productive job with growing income prospects, not shrinking income prospects.

And we also know that in every wealthy country in the world—this is something you'll have to worry more about than I have, when you're my age—there is a diversion in income. In other words, there is a widening gap between the wealthy and the poor within the wealthy countries. We know of no other way at this time to turn that around, other than to dramatically increase the education and skill levels of all of our people. Education is the great equalizer. It will change the job mix in America.

So, I congratulate you here. I ask you to maintain your personal commitment to giving this country the kind of education system it needs to guarantee that every young American will be able to live up to the fullest of his or her God-given capacities and be able to have the tools needed to guarantee the security and the strength of our middle class way of life well into the next century.

I also want to say one last thing in closing. This is a celebration not only of academic achievement but of creative ability and concern for others. Perhaps the signature program of this administration, when the history of our time here is written, will be the AmeriCorps program, the national service program, sort of a domestic Peace Corps, that this year will involve 20,000 young Americans working in community service and earning money against their further education. And the year after next, if we can just keep the funding up, we'll have 100,000 young Americans doing that, revolutionizing life at the grassroots level. To give you an idea, the equivalent of that in my time was the Peace Corps, which President Kennedy launched and which captured the imagination of every American. But there were never more than 16,000 young Americans in the Peace Corps in any given year. And we'll have 100,000 year after next. Why? Because learning is important, but giving is important as well.

I want to recognize, if I might, just one of the scholars who's here. We could recognize many. But I wanted to mention one, not because she deserves to be mentioned over the rest of you but because everybody here and everyone within the sound of my voice needs to get the flavor of the extraordinary quality and character of the young men and women we honor today. Jessica Luterman, of Staples High School in Westport, Connecticut, organized a portable art therapy program for geriatric patients called Art On Wheels, which is now permanent. She did this while being an all-State athlete, a member of the All-USA Academic First Team, serving on the boards of her YWCA and the United Way. That's what we need more of in America. Stand up, Jessica. Where are you? Stand up. Give her a hand. *[Applause]*

Like I said, if you all would just remember what got you here today and commit yourselves to trying to communicate that to the rest of this country, our future is in good hands.

Congratulations, and God bless you all.

NOTE: The President spoke at 3:11 p.m. on the South Lawn at the White House. In his remarks, he referred to Barbara Holt, Acting Chair of the White House Commission on Presidential Scholars. This item was not received in time for publication in the appropriate issue.

Letter to Congressional Leaders Transmitting the Report on Future Free Trade Area Negotiations

July 1, 1994

Dear Mr. Chairman:

In accordance with section 108(b)(4) of the North American Free Trade Agreement Implementation Act (Public Law 103-182; 107 Stat. 2067), I transmit herewith the report containing recommendations on future free trade area negotiations.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Daniel Patrick Moynihan, chairman, Senate Committee on Finance, and Sam Gibbons, acting chairman, House Ways and Means Committee. This letter was not received in time for publication in the appropriate issue.

The President's Radio Address

July 2, 1994

Good morning. On Monday, July 4th, we celebrate America's birth. Two hundred-eighteen years ago, our Founding Fathers pledged their lives, their fortunes, and their sacred honor to the untested idea of liberty, equality, and democracy.

Those ideas have survived and thrived because they're at the heart of the only system of government we know that produces wisdom from debate and consensus from division. Indeed right now, we're seeing how our democratic process can produce results that constantly renew the pledges of our Founders, and we're making substantial progress.

I sought the Presidency because our economy was in trouble and because our Government wasn't working. We put in place an economic plan designed to restore the middle class and guarantee growth and jobs by cutting over \$250 billion in spending; reducing over 250,000 Government positions; offering tax cuts to 15 million working families, 90 percent of our small businesses, and increases to about 1.5 percent of our people to ask them to help pay down the deficit.

The result has been a remarkable recovery: 3 million jobs, a 1.7 percent drop in unemployment, 3 years of deficit reduction in a row for the first time since Harry Truman was President of the United States. But the agenda for change requires more. It requires us to empower the people of the United States to do well in a world filled with change and competition.

That's at the heart of the crime bill we're about to pass in Congress that will put 100,000 police officers on the street, enact a law that says, "Three strikes and you're out," ban assault weapons that go with the Brady bill, and at the heart of our efforts, to reform the college loan program to make interest rates lower and repayment terms better so that no young person will ever not go to college because of the cost of a college education. We're going to make 20 million young college graduates eligible for these better repayment terms and issue \$1 billion of college loans next year under the better terms.